

7. Paragraph 7 contains legal conclusions as to which no answer is required.

8. Paragraph 8 contains legal conclusions as to which no answer is required.

9. Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 9.

10. Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 10.

11. Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 11. Limited further states that paragraph 11 contains legal conclusions as to which no answer is required.

12. Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 12. Limited further states that paragraph 12 contains legal conclusions as to which no answer is required.

13. Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 13.

First Claim (Securities Fraud)

14. Limited incorporates its answers to paragraphs 1-13.

15. Paragraph 15 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 15.

16. Paragraph 16 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 16.

17. Paragraph 17 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 17.

18. Paragraph 18 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 18, and Limited denies that a constructive trust should be imposed or that a receiver should be appointed.

Second Claim (Civil RICO)

Second ¶ 18. Limited incorporates by reference its answers to paragraphs 1-18.

19. Paragraph 19 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 19.

20. Paragraph 20 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 20.

21. Paragraph 21 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 21.

22. Paragraph 22 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 22.

23. Paragraph 23 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 23.

24. Paragraph 24 contains no allegation pertaining to Limited and thus no response is required. To the extent that a response is required, Limited lacks knowledge sufficient to form a belief as to the truth of the allegations of paragraph 24, and Limited denies that a constructive trust should be imposed or that a receiver should be appointed.

25. Unless expressly admitted, all allegations of the Second Amended Complaint are denied.

Affirmative Defenses

26. Plaintiff's claims are barred by laches.

27. Plaintiff's claims are barred by the applicable statute(s) of limitation.

28. Plaintiff's claims are barred by waiver.

29. Plaintiff's claims are barred by estoppel.

30. Plaintiff's claims are barred by unclean hands.

31. Plaintiff's Second Amended Complaint fails to state a claim upon which relief can be granted.

32. Plaintiff's alleged damages were caused by parties over which this Defendant has no control.

Respectfully submitted,

/s/Dan L. Makee

DAN L. MAKEE (0029602)

Trial Attorney

McDonald Hopkins Co., LPA

2100 Bank One Center

600 Superior Avenue, East

Cleveland, Ohio 44114-2653

Telephone: (216) 348-5400

Facsimile: (216) 348-5474

E-Mail: dmakee@mcdonalddhopkins.com

Of Counsel:

/s/Richard J. Oparil

RICHARD J. OPARIL (D.C. Bar No. 409723)

Admitted Pro Hac Vice (11/19/03)

Patton Boggs LLP

2550 M Street, NW

Washington, DC 20037

Telephone: (202) 457-6000

Facsimile: (202) 457-6315

E-Mail: roparil@pattonboggs.com

Attorneys for Defendant Sanitec, Ltd.

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing **Answer of Defendant Sanitec, Ltd. to Plaintiff's Second Amended Complaint** was filed electronically with this Court on this 12th day of December, 2003 and that all parties will be served via the Court's electronic filing system.

/s/Dan L. Makee

DAN L. MAKEE (0029602)

McDonald Hopkins Co., LPA

An Attorney for Defendant Sanitec, Ltd.